

The directors present their annual report and the audited financial statements of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ended 31st March, 2003.

CHANGE OF NAME

Pursuant to a special resolution passed at an extraordinary general meeting held on 22nd July, 2002, the name of the Company was changed from Emperor Technology Venture Limited 英皇科技資訊有限公司 to Matsunichi Communication Holdings Limited 松日通訊控股有限公司 with effect from 5th August, 2002.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the major subsidiaries and associates are set out in notes 47 and 17 to the financial statements, respectively.

During the year, the Group disposed of its printing and publishing business and marine product trading at an aggregate consideration of approximately HK\$79,410,000.

RESULTS

The results of the Group for the year ended 31st March, 2003 are set out in the consolidated income statement on page 18.

SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 30 to the financial statements.

In order to expand the Group's activities in the communication-related business, on 17th October, 2002, the Company issued 117,800,000 new shares of HK\$0.01 each, for a consideration of HK\$0.2 per share to Jade Forest Limited, a substantial shareholder of the Company. The new shares rank pari passu with the then existing shares in all respects.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements of property, plant and equipment of the Group during the year are set out in note 14 to the financial statements.

董事會現提呈本公司及其附屬公司(下文統稱「本集團」)截至二零零三年三月三十一日止年度之年度報告及經審核財政報告。

更改名稱

根據一項在二零零二年七月二十二日舉行之股東特別大會上通過之特別決議案,由二零零二年八月五日開始,本公司之名稱已由 Emperor Technology Venture Limited (英皇科技資訊有限公司) 改為 Matsunichi Communication Holdings Limited (松日通訊控股有限公司)。

主要業務

本公司為一間投資控股公司。各主要附屬公司及聯營公司之主要業務分別載於財政報告附註 47 及 17。

本集團於年內出售其出版及印刷業務及水產貿易業務,涉及總代價約為 79,410,000 港元。

業績

本集團截至二零零三年三月三十一日止年度之業績載於第 18 頁之綜合損益表。

股本

本公司於年內之股本變動詳情載於財政報告附註 30。

為積極發展本集團之通訊相關業務,於二零零二年十月十七日,本公司以每股股份 0.2 港元之代價向 Jade Forest Limited (本公司之一位主要股東) 發行 117,800,000 股每股面值 0.01 港元之新股。該等新股在各方面均與當時存在之股份享有同等權益。

物業、機器及設備

本集團於年內之物業、機器及設備變動詳情載於財政報告附註 14。

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31st March, 2003, the aggregate amount of turnover attributable to the Group's five largest customers represented approximately 36% of the Group's total turnover for the year. The aggregate amount of turnover attributable to the Group's largest customer for the year was 10%.

For the year ended 31st March, 2003, the aggregate amount of purchase attributable to the Group's five largest suppliers represented approximately 45% of the Group's total purchase for the year. The aggregate amount of purchases attributable to the Group's largest supplier for the year was 15%.

None of the directors, their associates or any shareholder, which to the knowledge of the directors, owns more than 5% of the Company's share capital, has interests in these customers or suppliers during the year.

DIRECTORS

The directors of the Company during the year and up to the date of this report were:

Pan Su Tong	(appointed on 29th July, 2002)
Chung Kwan Yat	(appointed on 29th July, 2002)
Lo Shu Sing, Danny*	(appointed on 19th August, 2002)
Lai Chi Kin*	(appointed on 4th November, 2002)
Ha Shu Tong	(appointed on 19th August, 2002 and resigned on 10th October, 2002)
Wong Chi Fai	(resigned on 20th August, 2002)
Fan Man Seung, Vanessa	(resigned on 20th August, 2002)
Kwok Chi Sun, Vincent*	(resigned on 20th August, 2002)
Li Siu Lok, Albert*	(resigned on 20th August, 2002)

* Independent non-executive directors

主要客戶及供應商

截至二零零三年三月三十一日止年度內，本集團首五大客戶合計之營業額佔本集團年內之總營業額約36%。本集團最大之客戶佔本集團於年內之總營業額約10%。

截至二零零三年三月三十一日止年度內，本集團首五大供應商合佔本集團年內之總採購額約45%。本集團最大之供應商佔本集團於年內之總採購額約15%。

各董事、彼等之聯繫人士或就董事所知，任何擁有本公司股本5%以上之股東於年內概無擁有上述客戶或供應商之權益。

董事

於年內及直至本報告之刊發日期止，本公司之董事芳名如下：

潘蘇通	(於二零零二年七月二十九日獲委任)
叢筠日	(於二零零二年七月二十九日獲委任)
羅樹成*	(於二零零二年八月十九日獲委任)
黎志堅*	(於二零零二年十一月四日獲委任)
夏樹棠	(於二零零二年八月十九日獲委任及於二零零二年十月十日辭任)
黃志輝	(於二零零二年八月二十日辭任)
范敏嫦	(於二零零二年八月二十日辭任)
郭志樂*	(於二零零二年八月二十日辭任)
李兆樂*	(於二零零二年八月二十日辭任)

* 獨立非執行董事

DIRECTORS (CONTINUED)

In accordance with Article 105(B) of the Company's Articles of Association, all remaining directors of the Company will retire and, being eligible, offer themselves for re-election in the forthcoming Annual General Meeting.

The term of office of each director, including the independent non-executive directors, is for a period up to his/her retirement by rotation in accordance with the Company's Articles of Association.

None of the directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

Other than the interests of Mr. Pan Su Tong in the shares of the Company as disclosed in the section headed "Substantial Shareholders", at 31st March, 2003, none of the directors, chief executives or their associates had any interests in any securities of the Company or its subsidiaries as recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance").

SHARE OPTION SCHEMES

Particulars of the Company's share option schemes are set out in note 31 to the financial statements.

DIRECTORS' AND CHIEF EXECUTIVES' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than as disclosed in the section headed "Share Option Schemes", at no time during the year was the Company, its holding company, or its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and neither the directors nor the chief executive, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

董事(續)

按照本公司之公司組織章程細則第105(B)條規定，本公司所有餘下之董事將於應屆股東週年大會上退任，惟符合資格在會上膺選連任。

各董事(包括獨立非執行董事)之任期直至其按照本公司之公司組織章程細則規定輪值告退為止。

各董事概無與本公司或其任何附屬公司訂立任何不可由本集團於一年內免付賠償(法定賠償除外)而終止之服務合約。

董事及主要行政人員之股份權益

除下文「主要股東」一節所披露有關潘蘇通先生於本公司股份之權益外，於二零零三年三月三十一日，根據本公司按證券(披露權益)條例(「披露權益條例」)第29條規定存置之股東名冊所示，各董事、主要行政人員或彼等之聯繫人士概無擁有本公司或其附屬公司之任何證券權益。

購股權計劃

本公司之購股權計劃詳情載於財政報告附註31。

董事及主要行政人員購入股份或債券之權利

除上文「購股權計劃」一節所披露者外，於年內任何時間，本公司、其控股公司或其附屬公司概無參與任何安排，致使本公司董事藉著購入本公司或任何其他法人團體之股份或債券而獲取利益，而各董事或主要行政人員或彼等之配偶或未滿十八歲子女概無擁有認購本公司證券之權利，亦無曾經行使任何上述權利。

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contract of significance to which the Company or its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

SUBSTANTIAL SHAREHOLDERS

At 31st March, 2003, according to the register of substantial shareholders kept by the Company under Section 16(1) of the SDI Ordinance, the following parties had notified the Company that they were interested in 10% or more of the issued share capital of the Company:

Name of substantial shareholder

主要股東名稱／姓名

Goldstream Group Limited ("Goldstream")

Jade Forest Limited ("Jade Forest")

Mr. Pan Su Tong (潘蘇通先生)

Notes:

- Goldstream was a wholly-owned subsidiary of Jade Forest as at 31st March, 2003. Accordingly, Jade Forest was deemed to be interested in the 205,905,721 shares held by Goldstream.
- Jade Forest was 100% owned by Mr. Pan Su Tong as at 31st March, 2003. Accordingly, Mr. Pan Su Tong was deemed to be interested in the 222,074,927 shares held by Jade Forest and 205,905,721 shares held by Goldstream.

Save as disclosed above, the Company has not been notified of any other interests representing 10% or more of the Company's issued share capital as at 31st March, 2003.

董事之重大合約權益

於年結或年內任何時間，本公司各董事概無在本公司或其附屬公司參與訂立之任何重大合約中直接或間接擁有重大權益。

主要股東

於二零零三年三月三十一日，根據本公司按披露權益條例第16(1)條規定存置之名冊所示，下列公司及人士已通知本公司彼等擁有本公司已發行股本10%或以上之權益：

Notes 附註	Number of shares 股份數目
1	205,905,721
1&2 1及2	427,980,648
1&2 1及2	427,980,648

附註：

- 於二零零三年三月三十一日，Goldstream為Jade Forest之全資附屬公司。因此，Jade Forest被視為擁有Goldstream所持有205,905,721股股份之權益。
- 於二零零三年三月三十一日，Jade Forest由潘蘇通先生全資擁有。因此，潘蘇通先生被視為擁有Jade Forest所持有222,074,927股股份及Goldstream所持有205,905,721股股份之權益。

除上文披露者外，於二零零三年三月三十一日，本公司並未獲通知有任何其他人士持有本公司已發行股本10%或以上之權益。

CONNECTED TRANSACTIONS

During the period from 1st April, 2002 to 22nd July, 2002 (the "Period"), Emperor International Holdings Limited ("EIHL") was a substantial shareholder of the Company. On 22nd July, 2002, EIHL sold its entire equity interest in the Company to Jade Forest. The connected transactions carried out between the Group and EIHL, its subsidiaries and its associated corporations for the Period were as follows:

- (1) During the Period, a wholly-owned subsidiary of the Company financed the entire working capital of Smart Ideal Limited, a 75% owned subsidiary, by way of loan at an interest rate equivalent to 5% per annum over the Hong Kong prime interest rate.

During the Period, Smart Ideal Limited paid interest on the loan due to that wholly-owned subsidiary amounted to approximately HK\$456,000.

- (2) During the Period, the Group rented properties from Very Sound Investments Limited, Distinct Rich Limited, Frontgoal Development Limited, Sharp View Investment Limited and Civilink Investment Limited, which are wholly-owned subsidiaries of EIHL, at a monthly rental of HK\$93,000, HK\$66,500, HK\$95,000, HK\$120,000 and HK\$150,000 respectively, exclusive of rates, building management fees and air-conditioning charges. The tenancy agreements were on normal commercial terms and the rental were determined by reference to open market rent as valued by an independent valuer.

During the Period, the Group paid rental charges to those companies amounted to approximately HK\$2,098,000.

- (3) During the Period, the Group paid management fee, professional fee and interest amounting to approximately HK\$411,000, HK\$379,000 and HK\$862,000 to Emperor Investment (Management) Limited, a wholly-owned subsidiary of EIHL.

關連交易

在二零零二年四月一日起至二零零二年七月二十二日止之期間內（「期間」），英皇集團（國際）有限公司（「英皇國際」）乃本公司之一位主要股東。於二零零二年七月二十二日，英皇國際向Jade Forest出售其於本公司之全部股權。本集團及英皇國際、其附屬公司及其相聯法團在期間內進行之關連交易如下：

- (1) 期間內，本公司之一間全資附屬公司以貸款方式向其擁有75%權益之附屬公司瑋益有限公司提供所需之全數營運資金，年息率相等於香港最優惠利率加5厘。

期間內，瑋益有限公司就其欠負該全資附屬公司之貸款支付利息約456,000港元。

- (2) 期間內，本集團向Very Sound Investments Limited、如富有限公司、更高發展有限公司、智耀投資有限公司及民興投資有限公司（全部均為英皇國際之全資附屬公司）租用若干物業，月租分別為93,000港元、66,500港元、95,000港元、120,000港元及150,000港元，不包括差餉、管理費及冷氣費。該等租約乃按一般商業條款訂立，而租金乃參照獨立估值師評估之公開市值租金而釐訂。

期間內，本集團向上述公司支付之租金約為2,098,000港元。

- (3) 期間內，本集團向英皇國際之全資附屬公司Emperor Investment (Management) Limited支付管理費、專業費用及利息分別約共411,000港元、379,000港元及862,000港元。

CONNECTED TRANSACTIONS (CONTINUED)

- (4) On 22nd July, 2002, the Group disposed of its entire equity interest of Island Gold Developments Limited ("Island Gold") and the amounts due from Island Gold and its subsidiaries to the Group at a consideration of approximately HK\$78,183,000 to EIHL.

On 9th December, 2002, the Group entered into two deeds with Matsunichi International Holdings Limited, and with Guangdong Matsunichi Electronics Limited and Guangdong Matsunichi Communications Technology Company Limited (collectively the "Licensors"), respectively. Mr. Pan Su Tong has controlling interests in those companies. Pursuant to the deeds, the Licensors granted to the Group non-exclusive licences to use the trade marks of "Matsunichi" on and in relation to MP3 players and digital audio products at a licence fee of HK\$1 per annum each, for a term of 3 years from 1st November, 2002.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

POST BALANCE SHEET EVENT

Details of a significant event occurring after the balance sheet date are set out in note 44 to the financial statements.

CORPORATE GOVERNANCE

The Company has complied throughout the year ended 31st March, 2003 with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

關連交易 (續)

- (4) 於二零零二年七月二十二日，本集團以一筆約 78,183,000 港元之代價向英皇國際出售 Island Gold Developments Limited (「Island Gold」) 之全部股權及由 Island Gold 與其附屬公司所欠本集團之款項。

於二零零二年十二月九日，本集團分別與松日國際集團有限公司、廣東松日電器有限公司及廣東松日通訊科技股份有限公司（統稱「特許商」）訂立兩項契約。潘蘇通先生在上述公司擁有控股權益。根據該等契約，特許商授予本集團非獨家特許權，據此，本集團之 MP3 播放機及數碼音響產品可採用「Matsunichi (松日)」商標。有關之特許權費用為每年 1 港元，由二零零二年十一月一日起計，為期三年。

購入、出售或贖回本公司上市證券

本公司或其任何附屬公司於年內概無購入、出售或贖回任何本公司上市證券。

結算日以後事項

有關結算日以後發生之重大事項詳情載於財政報告附註 44。

公司管治

本公司於截至二零零三年三月三十一日止全年度內均遵守香港聯合交易所有限公司證券上市規則附錄十四內所載之最佳應用守則。

AUDITORS

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board

DIRECTOR

Pan Su Tong

18th July, 2003

核數師

一項重新委任德勤•關黃陳方會計師行為本公司核數師之決議案將於股東週年大會上提呈。

承董事會命

董事

潘蘇通

二零零三年七月十八日